

Minutes from Imperial Valley Permitting Working Group
May 18, 2005 Meeting/Phone Conference
IID Board Meeting Room 1285 Broadway
El Centro, CA

1. Attendees (In person):

| | | | |
|----------------------|-------------|----------------|--|
| Jonathan Woldemariam | SDG&E | (858) 650-4084 | jwoldemariam@semprautilities.com |
| David Lawhead | State Parks | (760) 767-4315 | dlawhead@parks.ca.gov |
| Reyes Romero | ICAPCD | (760) 482-4606 | reyesromero@imperialcounty.net |
| Lynda Kastoll | BLM, EC | (760) 337-4421 | lkastoll@ca.blm.gov |
| Richard Cabanilla | I.C. P&DS | (760) 482-4313 | richardcabanilla@imperialcounty.net |
| Michel Remington | IID | (760) 351-2577 | mdremington@iid.com |
| Vikki Dee Bradshaw | IID | (760) 351-2576 | vdbradshaw@iid.com |
| Juan C. Sandoval | IID | (760) 339-0870 | jcsandoval@iid.com |
| Carrie Downey | HKCF/IID | (619) 522-2040 | cadowney@san.rr.com |
| Andrew Barnsdale | CPUC | (415) 703-3221 | bca@cpuc.ca.gov |
| Joseph Martin | Sierra Club | (760) 394-4765 | jmartin945@juno.com |

(Phone Conference) Attendees:

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| Diane Gomez | BLM, PS | | Diane_Gomez@ca.blm.gov |
| Sara Easley Perez | LADWP | (213) 367-1276 | Sarah.Easley@LADWP.com |
| C. Mollie Bigger | BPPWG | (619) 449-2777 | cmbigger@adnc.com |
| Jill Larson | SEMPRA | (619) 696-4364 | jdlarson@semprautilities.com |
| Robert Jackson | SDG&E | (858) 654-829 | rjackson@semprautilities.com |

1. After introductions were made the group discussed how to define the project. What parameters should our group recommend to the steering team. The consensus was that the permitting plan would have to be fairly high level and assign responsibilities but could not be specific as to timing. Jill Larson stated she wasn't sure if the timing for the 2 efforts was in Sync. It could be but need more time to determine their needs on the 500 kV line. SDG&E would have to go to the CPUC or a new agency if the governor's reorganization changes the jurisdictions in California. Jonathan Waldemariam said SDG&E just did a screening study. They narrowed down the alternatives. Which would be the best way to get energy into San Diego. IID's proposed substation at San Felipe is not determined yet. SDG&E is still discussing routes. The purpose and need for the 500 line is three fold: reliability, cost reduction for our ratepayers and meeting renewable energy goals. Not necessarily in that order.

Lynda Kastoll said that their (BLM) needs would be for all plan amendments to be in one document. Although IID might be building the upgrades in phases, all of the necessary amendments to establish utility corridors in the desert plan should be done at one time. It takes longer to do a plan amendment than a regular NEPA. We could do that in the first

document then if needed with phased projects do the NEPA for the projects within the approved corridor at later dates. Right now the IV Substation is within an existing corridor. But there are no approved corridors out of IV. BLM works on cost reimbursable basis for a single document.

Dave Lawhead, State Parks said the same is true through the park. It sounded like IID was planning on building the portion on their right of way up to San Felipe in their document. Then SDG&E would be coming through the park with the 500 line. He would rather see all discussion about RoWs through the park in one document. Michel Remington said IID could include a long term planning for both F Line and Anza Borrego in our first document.

Jill Larson, SDG&E, said the goal is to see how fast they were moving on 500 line. Both documents would analyze. Will talk to land people to see how can avoid duplication.

Carrie Downey, IID, suggested that a smaller group with SDG&E and IID right of way folks could meet to discuss corridor issues that could be analyzed jointly. The subgroup could recommend which document it should be analyzed in. At this point there are several different documents that might need to be revised including the geothermal development and transmission element in the County general plan.

Richard Cabanilla, Imperial County, said he met with Laura McDonald who said SDG&E was going to hire an environmental firm. They are farther ahead. Maybe IID upgrades could be part of their document. Jill Larson, SDG&E, said a lot more work still needs to be done on siting the line before environmental would start.

Richard Cabanilla, Imperial County, said the County has an RFP out to update the geothermal element.

Carrie Downey, IID, stated at the Permitting groups last meeting, Jurg Heuberger had said the County should be the co-lead. For IID's lines and upgrades to our system IID would be the lead agency but we wanted the County to be a responsible agency. We know that Parks is a trustee agency and has responsibilities and that BLM would be the NEPA lead. Jill said that the CPUC will be the lead for SDG&E. They are looking at the components needed for the project: technical needs, the Purpose & Need process still evolving. Andrew Barnsdale, CPUC, said need to be clear in cumulative analysis and regional analysis. Need to be clear on purpose and need.

Reyes Romero, ICAPCD, asked IID about the new plants IID would be building. Juan Carlos Sandoval, IID, explained that Unit 3 would be repowered to 117 MW. Niland would be two 37 MW gas fired units. The energy was not for export to SDG&E but to serve IID load.

2. Phasing

Juan Carlos Sandoval discussed how IID could divide up the proposed upgrades in phases. If beef up the connection to Mirage /Devers, can get up to 1000 MW. If

upgrade Highline to IV sub, can deliver another 1000 to SDG&E. Will upgrade 161 to 230. 90% of transmission upgrades will be done on existing Rights of Way. We would double circuit 230 kV, poles no higher than 120 feet. Phase 1 would be 1a and either 1b or 1c.

Phase 1a

Upgrade Coachella Valley to Mirage Devers. Currently 800 MW could expand to 1600 MW. Need cooperation from Edison. First 20 miles from Coachella Valley to Intertie is IID's, next 15 miles from Intertie to Devers is Edison's.

Phase 1b

Build/upgrade Highline to El Centro. Make El Centro to Imperial Valley double circuit. Would give 1600 MW capacity from Midway to IV. Current capacity from EC to IV but reconductored to increase after double circuit to 1600. We would use lattice towers, either existing ones or build new ones on existing RoWs.

OR

Phase 1c

Bannister to San Felipe (new corridor). Plan is 230 Kv, steel poles from Bannister to San Felipe.

Richard Cabanilla pointed out that if new poles in Phase 1b are higher than existing poles, might require review by County Airport for Compatibility with their plan.

The group discussed what would make IID decide whether to do 1b or 1c? Juan Carlos explained that depending on the transmission requests from CalEnergy as to delivery points we could change the order. Reyes Romero asked why IID was doubling capacity to 1600 in phase 1 if only needed 400 MW for 2 plants until 2012. Juan Carlos explained that it is wise to do it all at once. The towers are already there. Andrew Barnsdale, CPUC, said the CPUC has learned that you can't build in units. Better to do it once than carry whatever amount you are going to carry. We know geothermal is there just need transmission. Wind and solar could access the transmission too. It would be just as expensive from 400 to 1200.

Reyes Romero, ICAPCD, said our concern is setting up infrastructure so Mexico will build more plants. We don't have anything to force them to put scrubbers on. How can we stop it? We are doing all this for projects that aren't even there.

Lynda Kastoll, BLM said there is a logical need for additional energy from somewhere. With the growth in Southern California.

Richard Cabanilla, Imperial County, said we addressed this in the pipeline project in Mexicali. County concerns are the significant air concerns for the County. We are in

severe non-attainment, non-compliance. Severe air pollution impacts not only on Mexicali but also in Imperial County.

Andrew Barnsdale, CPUC, said I'm not sure not building transmission is a way to control Mexico Generation. Needs to be other vehicles. County could put a request that power can't be imported unless from plants that meets US Standards. Michel Remington, IID said, when we submit the Notice for CEQA, you need to identify that issue. The Presidential permit has a flaw in the system because doesn't address air quality issues. Carrie Downey, IID, said "Jill and I discussed a way to see if the Mexican generators can be asked to cooperate more with ICAPCD. Since they are publicly telling the world they are putting in scrubbers, it would be good PR to let ICAPCD come look at them." I realize that SEMPRA has regulated and nonregulated affiliates, and we are not asking the SDG&E folks to break any rules, but it is in everyone interests to see what could be done. If this is the issue that is going to stop a 500 kV line from being built. Carrie asked Mollie Bigger from the Border Plant working group if she has any ability to try to set up meetings. She said they are working with groups on the Mexican side. Jill said she would inquire if Semptra generation would be open to the tests or visits suggested.

Phase II

Upgrade line from El Centro to Bannister from 161 to 230 kV. Explained that it is near Avenue 58 close to LaQuinta. Joseph Martin commented that personally he would like to see upgrades in this area. The growth in the last few years has been unbelievable.

Phase III

Upgrade from Highline to Pilot Knob substation (Interconnection with Western Area Power Administration) and from Midway to Buck Boulevard.

Jonathon Woldemariam briefed the proposed SDG&E 500 kV project. SDG&E looked at 18 alternatives that just defined Point A to Point B. 9 or 10 came from stakeholders. We did screening study and came up with 2 alternatives. 1st is Imperial Valley to an as yet identified substation we are calling Central. We don't know where in San Diego that will be yet. 2nd alternative is IV to Central to Sorreno Valley in Edison's area. We don't have the routes of either designated so we could use the IID San Felipe connection but may not. We could have IV to Central as phase 1 than central to Sorreno Valley as phase 2. We still have not decided. We have to have a 500 kV substation. We could do phasing of implementation and partner with IID but SDG&E would do permitting as one project. Phase 1, the 500 kV line would have 1000 MW of capacity. This is the ballpark from the screening study. Current schedule is June of 2006 for filing CPCN. In response to questions, Jonathan explained that one of the study options was a parallel line from IV to Miguel. It didn't help because it made greater congestion at Migel. Lynda Kastoll said the brief from Laura McDonald was that SDG&E and IID could do a joint project. Both IID and SDG&E confirmed that it is a possibility but both companies are looking at all the issues. Richard Cabanilla asked Jonathan to explain the difference between

SDG&E and SEMPRA. Jonathan explained that Sempra generation is an affiliate of Sempra Utilities. SDG&E is a regulated affiliate.

The group discussed what kind of RoW work would be necessary. Lynda Kastoll said BLM rewriting new management plan. The lines will cross BLM land somewhere. She is trying to identify corridors now. Dave Lawhead State Parks, said that may only cover deserts not state parks. May need to amend Southcoast plan. Dee Bradshaw, IID, said we should include existing lines in corridor plans.

The Group discussed what kind of information would need to be in the recommendations to the Steering Team. We would need to identify time frames for phasing and which are tied to levels of geothermal generation. Since both IID and SDG&E have reliability needs apart from the geothermal needs, we should identify that as it affects phasing. For the next meeting members have the following tasks:

3. Tasks

A. Juan Carlos Sandoval, IID, would see if he can find the legal descriptions of the Rights of Way and maps showing existing IID transmission lines through the Anza Borrego park for Dave Lawhead.

B. Carrie Downey, IID will draft a skeleton set of permitting recommendations for the group to review before our next meeting based on Today's discussions.

C. SDG&E and IID will meet outside of this group to continue discussing the possibility of joint work on the 500 kV line.

D. Andrew Barnsdale, CPUC, would see if he could get Edison to come to the next meeting to discuss the possibility of IID's proposal for phase 1 upgrades to the line from CV to Devers.

E. Jill Larson, SDG&E, would see how to send the request to Sempra generation to allow Imperial County Air Pollution Control District to tour the Mexico facilities, and/or to allow independent testing to determine if the installed scrubbers are working.

4. Next Meeting

The group decided to allow time for IID and SDG&E to meet and confer, there would be no meeting on the 15th. Instead Carrie would get the proposed permitting recommendations out by then for review. The group would meet next on Wednesday, June 1, 2005 again at 10:30. We estimated it should only take 2 hours to review the recommendations. IID would provide food again for those that drove down, and the same call-in would be used.